

\_\_\_\_\_ BILL NO. \_\_\_\_\_

INTRODUCED BY \_\_\_\_\_  
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A TASK FORCE IN THE DEPARTMENT OF PUBLIC SERVICE REGULATION TO STUDY THE DEPLOYMENT OF SMART GRID TECHNOLOGY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Legislative findings and policy.** The legislature finds that:

(1) smart grid systems that allow real-time, two-way digital communications between electric utilities and their distribution grid and with their customers can greatly improve the efficiency and reliability of electrical distribution systems and facilitate conservation by enabling real-time demand response pricing;

(2) smart grid systems constitute critical infrastructure that can protect the state's electric grid and enable remote monitoring of other critical infrastructure and key assets;

(3) smart grid systems will permit the state to take full advantage of distributed generation resources that will increase distribution efficiency, lower customer prices, and stimulate innovation and new job creation.

**NEW SECTION. Section 2. Definitions.** As used in [sections 1 through 3], the following definitions apply:

(1) "Department" means the department of public service regulation provided for in 2-15-2601.

(2) "Public utility" means an electric utility regulated by the commission pursuant to Title 69, chapter 3.

(3) "Smart grid system" means a two-way communications system and associated equipment and software, including equipment installed on an electric customer's premises, that uses the electric company's distribution network to provide real-time monitoring, diagnostic, and control information and services that improve the efficiency and reliability of the distribution and use of electricity, including:

(a) distribution equipment automation;

(b) automated load control or demand response;

(c) power loss detection and prevention;

(d) remote outage and restoration detection;

- (e) dynamic pricing of service;
- (f) monitoring of distribution network performance; and
- (g) predictive maintenance and diagnostics.

**NEW SECTION. Section 3. Task force on smart grid technology -- duties.** (1) There is a task force on smart grid technology established in the department of public service regulation.

(2) The task force consists of a minimum of seven members. One member must be a senator appointed by the president of the senate, and one member must be a representative appointed by the speaker of the house of representatives. The five remaining members must be appointed by the department and must include:

- (a) two public service commissioners;
- (b) one representative of a public utility that restructured pursuant to Title 69, chapter 8, prior to October 1, 2007;
- (c) one representative of a public utility that did not restructure pursuant to Title 69, chapter 8, prior to October 1, 2007; and
- (d) one representative of the consumer counsel, provided for in 5-15-201.

(3) Appointments must be made prior to July 1, 2009.

(4) The task force shall meet as needed. The task force members may be reimbursed by the department for expenses as provided in 2-18-501 through 2-18-503. Additional members may be added to the task force upon a majority vote of the members.

(5) Task force meetings are open to the public.

(6) The task force shall:

- (a) develop a smart grid deployment plan for implementation in Montana, consistent with Title 69 and federal law, including the provisions of the Energy Independence and Security Act of 2007, Public Law 110-140;
  - (b) evaluate the extent and type of smart grid technology to be installed and operated in Montana;
  - (c) evaluate how to disseminate information on the deployment of smart grid technology to electric customers that will be affected; and
  - (d) analyze the fiscal impacts of a smart grid deployment plan on electricity customers in Montana. The analysis must include an estimation of how customers' rates may be impacted.
- (7) The task force shall issue a report to the energy and telecommunications interim committee provided for in 5-5-230 by May 1, 2010, including:

- 1 (a) recommendations for deployment of smart grid technology in Montana; and
- 2 (b) proposed changes, if needed, in existing law to facilitate a smart grid deployment plan.

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4 NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

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6 NEW SECTION. **Section 5. Termination.** [This act] terminates January 1, 2011.

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